

Using Medicaid to Support Working Age Adults with Serious Mental Illnesses in the Community: A Handbook

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Preparing People for Change: Knowledge & Choice

Topics

- Purpose of the handbook
- Handbook development & contents
- Overview of Medicaid's role
- Coverage
- Challenges
- Waivers and mental health services
- Emerging best practice and Medicaid policy
- Resources



Purpose of Handbook

- Provide state officials and others with a single source of reliable information about how Medicaid can be used to support adults with serious mental illnesses in the community
- Complement HCBS Primer issued by ASPE in 2000



Why focus only working age adults with mental illnesses?

- Resources
- Services for children with serious emotional disturbances require special treatment
- Dearth of information about Medicaid and supporting adults
- IMD overhang



Development of Handbook

- Sponsored by DHHS Assistant Secretary for Planning & Evaluation (ASPE)
- HSRI selected to prepare Handbook
- Technical Advisory Group (TAG)
- Multiple drafts/review
- CMS reviewed Handbook twice to ensure accuracy with respect to Federal policy



Handbook Content

- Introductory chapters: basic information about mental health services and Medicaid
- Chapter IV: Principle coverage options
- Chapter V: Examples of how states apply coverage options
- Chapter VI: Waivers (1915(b), 1115, and 1915(c))
- Chapter VII: Co-occurring disorders and managing services
- Includes detailed state-level information to illustrate how states have used coverage and options
- Where to obtain more information
- Web links



Serious mental illness means ...

- A diagnosable mental disorder that results in *substantial functional impairment* in one or more major life activities over an extended period; e.g., –
 - Basic living skills
 - Instrumental living skills
 - Every day functioning
- AKA, “serious and persistent mental illness”



People with serious mental illnesses ...

- Require intensive services; outpatient services alone often are insufficient
- Need supports for extended periods
- Often have co-occurring conditions
- Experience high rates of homelessness, incarceration, and unemployment
- Experience frequent hospitalization



Effective community mental health services

- Promote community tenure
- Avoid “crisis cycle”
- Reduce hospital spending
- Reduce incarceration and homelessness
- Promote positive outcomes and recovery



Medicaid and Mental Health

- Medicaid is the single largest buyer of behavioral health care (20% of market; 35% of all public expenditures)
- Especially important role in services for people with serious mental illnesses
 - Other payers (e.g., Medicare) have constricted benefit packages
 - Medicaid or state general fund



State Plan World



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Supporting People in the Community: Key Medicaid State Plan Benefits

- Rehabilitative services
- Targeted case management
- Prescribed drugs



“Rehab Option”

- Services and treatments that restore functioning
- Under the direction of a mental health professional (v. directly supervised or furnished by a clinician)
- May be furnished anywhere in the community – not tethered to clinic sites
- Nearly every state uses the rehab option



Coverage

- Usually is tightly targeted to people with serious mental illnesses; functional eligibility screens
- Distinct from outpatient clinic benefit
- States have flexibility in defining scope of benefit and specific services offered
- State coverages range from narrow to wide
- Example of comprehensive benefit package: Georgia



Rehab Option Services

- Basic life/social skills
- Helping people manage their mental illnesses
- Family counseling
- Crisis stabilization/response
- Treatment
- Residential supports (element of supportive housing)



Targeted Case Management

- Coordinate rehab, other Medicaid and non-Medicaid services
- TCM usually operates in tandem with rehab option
- In mental health, TCM usually is tightly targeted to people who require continuous supports
- Typically not a broadly drawn benefit



Prescribed Drugs

- Medications are a central element in the treatment of serious mental illnesses
- Challenge: finding the most effective medication for each person
- Mental health services are affected by state decisions concerning drug formularies



Challenges in Using Medicaid

- Eligibility (community rules v. priority populations)
- “System readiness” for Medicaid
- Co-Occurring Disorders – Silo problems
- Integrating funding streams/system of care
- Housing



Federal Policy Challenges

- Rehab option rooted in a “medical necessity” framework
- Rehab option does not permit vocational services
- Rehab option does not include personal assistance
- Absence of clear pathway for consumer-directed services
- Little in the way of formal CMS guidance



Waiver World



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Overview

- About one-third of the states deliver mental health services under Section 1915(b) or 1115 waivers
- Only one state (Colorado) operates an HCBS waiver that targets adults with serious mental illnesses (WI is developing a waiver to assist individuals to transition from nursing facilities to the community)



1915(b) Specialty Waivers

- Basis: integrate delivery of mental health services using managed care framework
- Common goal: reduce hospitalization and use savings to strengthen community services
- Variety of arrangements
- Examples: Colorado, Iowa, Washington, Texas Northstar
- Use has slowed appreciably



Advantages

- Integrated management of Medicaid benefits
- Consistency
- Cost savings
- Flexibility
- Lessons learned
 - Managed care models can be more effective than fee-for-service models
 - States must manage managed care



Issues

- Savings are one-time
- New Federal limits on how savings may be applied:
 - Non-traditional services
 - Services for non-Medicaid beneficiaries
- System impact
- Bid/rebid requirements



Straddling Both Worlds

- States retain fee-for-service
- Hire ASOs to conduct utilization management, prior authorization, and other system management activities
- Example: Georgia



1115 Carve Outs

- Mental health services included in broad-based 1115 health care reform waiver but managed separately
- Examples: Vermont, Massachusetts, Oregon
- Some are managed care arrangements; some are managed services arrangements



Integrated Services

- Health and mental health services delivered through HMOs
- Some states moving in this direction
- Problem: experience tends to show that mental health services are underemphasized



1915(c) Waiver

- Cannot use 1915c waiver to provide community alternatives to IMD for adults
 - Direct outgrowth of IMD exclusion
- But, may use a 1915c waiver to provide community alternatives to individuals with serious mental illnesses who meet NF level of care
 - Example: Colorado 1915c



IMD Exclusion

- FFP is not available for services furnished in an Institution for Mental Disease to persons ages 22-64
- An IMD is a facility that serves 17 or more individuals
- IMD exclusion does not prevent the provision of Medicaid services to persons with mental illnesses served in smaller community settings



Applicability of 1915c Waiver

- Vehicle for providing wrap-around services and supports that cannot be or are not covered under rehab option (e.g., personal assistance, non-rehabilitative supports in residential settings)
- Applicability hinges on state's NF level of care criteria
- Option one: standalone waiver targeted to people with serious mental illnesses
- Option two: support people with mental illnesses in broader "disability waiver"
- Another advantage – extend eligibility to people who do not qualify under community rules
- Another application: system rebalancing



Emerging Best Practice and Medicaid



Mental Health Transformation

- Recovery as emergent philosophy
- Science to service: evidence-based practice



Recovery

- People take responsibility for their own care and returning to a state of everyday functioning and quality of life despite effects of mental illness
- Personal goals/consumer-direction frame service delivery
- Practitioner and consumers as partners



Successfully transforming the mental health service delivery system rests on two principles

- *First, services and treatments must be consumer and family centered, geared to give consumers real and meaningful choices about treatment options and providers – not oriented to the requirements of bureaucracies*
- *Second, care must focus on increasing consumers' ability to successfully cope with life's challenges, on facilitating recovery, and on building resilience, not just managing symptoms*

The President's New Freedom
Commission on Mental Health



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Evidence-based Practice

"Evidence-based practices are interventions for which there is consistent scientific evidence showing that they improve client outcomes."

- ACT/Intensive Case Management
- Medication management
- Supported employment
- Wellness Self-Management
- Family psychosocial education
- Integrated treatment of co-occurring conditions
- Self-help and peer support



Themes

- Demonstrated effectiveness
- Value
- Positive outcomes



Assertive Community Treatment

- Intensive team-based model designed for persons experience frequent crises/ hospitalizations
- One team member per 10-12 individuals
- Demonstrated to reduce costs and hospitalization



Medication Management

- Right medication in right amounts
- Texas Medication Algorithm Project (TMAP)
- MO Behavioral Prescriber and Outlier Management System
- Improve prescribing practices – avoid unnecessary expenditures



Peer Support

- Trained/certified peer specialists
- People who have experienced mental illness supporting others
- Peer managed services/sites
- Georgia coverage



Medicaid Coverage

- States are in early stages of adopting EBP
- Substantial system-level implementation issues
- ACT/Intensive case management covered under rehab option in more than 1/2 states
- Supported employment (growing number of states)
- Others spotty
- In general EBP fits Medicaid
- But, not all elements of each EBP fit Medicaid (e.g., vocational component of supported employment and ACT)



Resources

- President's New Freedom Commission on Mental Health (Final Report): *Achieving the Promise: Transforming Mental Health Care in America* (mentalhealthcommission.gov/reports/reports.htm)
- Recovery in the Community (Vols I & II) Bazelon Center for Mental Health Law – Order at: www.bazelon.org/ Evidence Based Practice: NASMHPD Research Institute: nri-inc.org/CMHQA.cfm
- CMS: cms.hhs.gov/promisingpractices/mentalhealth.asp
- Peer Support: nasmhpd.org/general_files/meeting_presentations/Winter2004CommissionerMeeting/Larryfricks.ppt

